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# SEARS HOLDINGS

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STATUS UPDATE PRESENTATION TO THE COURT – JANUARY 20, 2022

# Claims Status Update

\$ in mm Group	Number of Claims	Asserted Amount	Allowed Amount Through 01/19/22	Preference Set-off	Allowed Amount net of Set-off	Est. Allowed Amount Post-discount	Net Distributions / Reserves to Date	Remaining Amount
Allowed Opt-In Deminimis <sup>(1)</sup>	143	N/A	\$0.9	N/A	\$0.9	\$0.7	(\$0.7)	-
Allowed Opt-In Non-Deminimis <sup>(2)</sup>	196	N/A	70.1	(5.8)	64.3	48.2	(24.6)	23.6
Allowed Non-Opt Out Deminimis <sup>(1)</sup>	925	N/A	3.9	N/A	3.9	3.1	(3.1)	-
Allowed Non-Opt Out Non-Deminimis <sup>(2)</sup>	296	N/A	66.4	(18.8)	47.6	38.1	(20.4)	17.6
<b>Total Opt-In and Allowed Non-Opt-Out</b>	<b>1,560</b>	<b>N/A</b>	<b>\$141.3</b>	<b>(\$24.6)</b>	<b>\$116.8</b>	<b>\$90.1</b>	<b>(\$48.9)</b>	<b>\$41.3</b>
<i>Opt-In Claims - Subject to Preference</i>	10	N/A	4.1	TBD	4.1	3.1	(1.5)	1.6
<i>Non-Opt-Out Claims - Subject to Preference</i>	51	N/A	4.9	TBD	4.9	3.9	(1.8)	2.1
<i>Non-Opt-Out Claims - To Be Reconciled<sup>(3)</sup></i>	5	2.7	N/A	N/A	N/A	1.3	(1.0)	0.3
<i>Opt-Out Claims - To Be Allowed</i>	55	6.3	N/A	N/A	N/A	6.3	-	6.3
<i>Opt-Out Claims - Subject to Objection<sup>(4)</sup></i>	7	2.8	N/A	TBD	N/A	1.7	-	1.7
<i>Opt-Out Claims - Disallowed Subject to Appeal<sup>(4)(5)</sup></i>	1	730.4	N/A	N/A	-	-	-	-
<b>Total Estimated Allowed Admin Claims</b>			<b>\$150.4</b>	<b>(\$24.6)</b>	<b>\$125.8</b>	<b>\$106.5</b>	<b>(\$53.2)</b>	<b>\$53.3</b>
<i>Retiree 1114 Settlement<sup>(6)</sup></i>	5,724	161.3	N/A	N/A	N/A			
<i>RE Tax - Pre-Petition Priority<sup>(4)</sup></i>	68	5.0	N/A	N/A	N/A			
<i>RE Tax - Subject to Objection<sup>(4)</sup></i>	10	0.2	N/A	N/A	N/A			
<i>Non-RE Tax - Reconciled<sup>(4)</sup></i>	52	13.0	N/A	N/A	N/A			
<i>Non-RE Tax - To Be Reconciled<sup>(4)</sup></i>	11	34.9	N/A	N/A	N/A	52.9	-	52.9
<i>Non-RE Tax - Subject to Objection<sup>(4)</sup></i>	16	3.0	N/A	N/A	N/A			
<i>Priority Non-Tax - Severence<sup>(4)</sup></i>	743	4.8	N/A	N/A	N/A			
<i>Priority-Non-Tax - Subject to Objection<sup>(4)(7)</sup></i>	10	1.1	N/A	N/A	N/A			
<i>Secured Non-Tax Claims - To Be Reconciled<sup>(4)(5)</sup></i>	8	1,203.4	N/A	N/A	N/A			
<b>Total Estimated Allowed Priority and Secured Claims</b>								
<b>Total Estimated Allowed Claims</b>					<b>\$125.8</b>	<b>\$159.4</b>	<b>(\$53.2)</b>	<b>\$106.1</b>

- (1) Received final payment in full satisfaction of claims
- (2) Includes claims impacted by preference set-off subsequent to 1<sup>st</sup> or 2<sup>nd</sup> distribution
- (3) Reserve is based on asserted amount. "Allowed Amount Post-Discount" is the Debtors' estimate
- (4) "Allowed Amount Post-discount" is the Debtors' estimate
- (5) "Number of Claims" and "Asserted Amount" excludes duplicate claims asserted across multiple Debtors
- (6) Allowed claimants share \$3.0mm on a pro-rata basis
- (7) Excludes PBGC asserted priority claim for \$462mm settled as part of the Plan

# Recovery Analysis

\$ in mm	Estimates as of 1/1/2022
<b>Cash</b>	
Cash Balance as of 1/1/2022	\$34.5
Less: Total Reserves as of 1/1/2022	(3.9)
<b>Total Remaining Cash as of 1/1/22<sup>(1)</sup></b>	<b>\$30.6</b>
<b>ESTIMATED REMAINING ASSETS</b>	
Real Estate	\$1.1
Other Proceeds	27.7
<b>Total Remaining Asset Recoveries</b>	<b>\$28.8</b>
<b>Estimated Cash Available to Satisfy Operating Expenses &amp; Claims</b>	<b>\$59.5</b>
<b>ESTIMATED REMAINING AMOUNTS OWED ON ADMINISTRATIVE, PRIORITY, AND SECURED CLAIMS NET OF RESERVES</b>	
Administrative Expense Consent Program	(53.3)
Priority and Secured	(52.9)
<b>Total Remaining Claims Net of Reserves<sup>(2)</sup></b>	<b>(106.1)</b>
Estimated Other Post-Confirmation Expenses/Liabilities 1/1/22 forw ard	(15.9)
<b>Total Projected Uses</b>	<b>(\$122.0)</b>
<b>Total Difference between Cash Available and Projected Uses</b>	<b>(\$62.6)</b>

- The \$62.6mm difference between estimated cash available and projected uses is expected to be covered by proceeds from future preference actions and ESL litigation

# Distributions Update

**The Debtors expect to make a 4<sup>th</sup> Distribution of \$17.7mm on account of Opt-In and Non-Opt-Out Administrative in March**

\$ in mm Group	Remaining Amt.			
	Before 4th Dist.	Proposed 4th AECP Dist. / Reserve	Remaining Amt. After 4th Dist.	
Allowed Opt-In Demiminis <sup>(1)</sup>	-	-	-	
Allowed Opt-In Non-Deminimis <sup>(2)</sup>	23.6	(8.4)	15.2	
Allowed Non-Opt Out Demiminis <sup>(1)</sup>	-	-	-	
Allowed Non-Opt Out Non-Deminimis <sup>(2)</sup>	17.6	(7.0)	10.7	
<b>Total Opt-In and Allowed Non-Opt-Out</b>	<b>\$41.3</b>	<b>(\$15.4)</b>	<b>\$25.9</b>	
 <i>Opt-In Claims - Subject to Preference</i>	1.6	(0.6)	1.0	
<i>Non-Opt-Out Claims - Subject to Preference</i>	2.1	(1.3)	0.8	
<i>Non-Opt-Out Claims - To Be Reconciled<sup>(3)</sup></i>	0.3	(0.3)	-	
 <i>Opt-Out Claims - To Be Allowed</i>	6.3	-	6.3	
<i>Opt-Out Claims - Subject to Objection<sup>(4)</sup></i>	1.7	-	1.7	
<i>Opt-Out Claims - Disallowed Subject to Appeal<sup>(4)(5)</sup></i>	-	-	-	
<b>Total Estimated Allowed Admin Claims</b>	<b>\$53.3</b>	<b>(\$17.7)</b>	<b>\$35.6</b>	
 <i>Retiree 1114 Settlement<sup>(6)</sup></i>	52.9		52.9	
<i>RE Tax - Pre-Petition Priority<sup>(4)</sup></i>	-			
<i>RE Tax - Subject to Objection<sup>(4)</sup></i>	52.9			
 <i>Non-RE Tax - Reconciled<sup>(4)</sup></i>	\$52.9		\$52.9	
<i>Non-RE Tax - To Be Reconciled<sup>(4)</sup></i>	-			
<i>Non-RE Tax - Subject to Objection<sup>(4)</sup></i>	\$52.9			
 <i>Priority Non-Tax - Severence<sup>(4)</sup></i>	-		\$88.5	
<i>Priority-Non-Tax - Subject to Objection<sup>(4)(7)</sup></i>	-			
 <i>Secured Non-Tax Claims - To Be Reconciled<sup>(4)(5)</sup></i>	-		\$88.5	
<b>Total Estimated Allowed Priority and Secured Claims</b>	<b>\$106.1</b>	<b>(\$17.7)</b>		
 <b>Total Estimated Allowed Claims</b>	<b>\$106.1</b>	<b>(\$17.7)</b>	<b>\$88.5</b>	

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